

# Participatory Budgeting and Implementation of Urban Upgrading Projects in Kenya

Dr. Amolo Elvis Juma Amolo, PhD

Lecturer, University of Kigali, Rwanda

DOI: <https://doi.org/10.51244/IJRSI.2024.1108063>

Received: 24 July 2024; Revised: 05 August 2024; Accepted: 10 August 2024; Published: 11 September 2024

## ABSTRACT

In Kenya, Urban planning processes including budgeting is characterized by citizen non-engagement especially in low income communities since the city elites prefer top-down approach and this has led to a series of project failures. The purpose of the study is to establish the influence of Participatory Budgeting on Implementation of Urban Upgrading Projects in Kisumu City, Kenya. The study will be grounded on Arnstein's ladder of participation. The study adopted desk review. The study found that projects resulting from participatory budgeting are cheaper and sustainable due to community control and oversight and transformation into a more open, deliberative and collaborative process. However, in spite of the Kenya's 2010 Constitution and succeeding enactment of the County Governments Act and the Public Finance Management Act, 2012 requiring open involvement on issues of public fund to achieve the Millennium Development Goals, participation has been consumed as a formality. Governments use participatory rhetoric and limited gestures toward increased budget transparency and community budget consultations to assuage donors and reduce tensions with civil society, but they do not meaningfully engage with the process. Even if Public Budgeting processes contribute positively to the delivery of basic services, they are still limited in their capacity to meet the scale of the needs and the depth of citizens' aspirations. To achieve the Millennium Development Goals, local governments should be involved, for stronger promotion of public participation in budgeting for urban upgrading projects.

**Key words:** Participatory Budgeting, Implementation of Urban Upgrading Projects

## INTRODUCTION

Participatory budgeting is a democratic process by which the citizens are involved in the decision-making process regarding the way budgetary resources are allocated including debating, analyzing, prioritizing, mobilizing resources, monitoring and evaluating the expenditure of public funds and investments (Emil, 2019). Participatory budgeting first appeared in the City of Porto Alegre, the capital of Rio Grande de Sol in Brazil in the late 1980s with the aim of increasing citizen participation in priorities of Urban budget spending and became widespread in the early 1990s in Ecuador, Peru, Argentina, Uruguay, Chile, Colombia and Caribbean due to the support of international agencies such as UN-HABITAT and the World Bank (Tsurkana, Sotskovab, Aksininab, Lyubarskayac, and Tkachevad, 2016). In 2010, the Organic Law of Citizen Participation was enacted in Ecuador, establishing participation rights and indicating the obligation to present annual budgets for all levels of government in a general guideline, but with no specific law that states and details the process of participatory budgeting implementation (Buele, Vidueira, Yague, and Cuesta, 2020).

In Central America, El Salvador has formally institutionalized participatory budgeting through creation of by-laws including the right to request information, be consulted, participate in decision-making, co-management, and the right to oversee and denounce (Rainero and Brescia, 2018). In Europe, the first implementation of a participatory budgeting occurred in France, Spain and Italy in 2000 while German municipalities initially considered a participatory budgeting in the context of modernization of local government, "City of Tomorrow" project (Rainero and Brescia, 2018). The Russian Federation started practicing participatory budgeting in 2007

within the legal framework of Program for Supporting Local Initiatives, but the conceptual foundations for the implementation of relevant projects is unclear to both local communities and authorities involved in the process (Cabannes, 2015). However, in Bolivia government authorities established the terms and conditions of participatory budgeting, restricted the allocated resources and restricted the application to specific policy sectors, thereby preventing citizen involvement in other citywide decision-making processes (Buele et al., 2020).

In Asia, the participatory budgeting appeared in 2005 on an experimental basis in countries like South Korea and China that adopted the Brazilian model backed by laws on local finances which allows introducing the participatory budgeting model in every third municipality (Tsurkana et al., 2016). One of the most notable recent efforts to experiment citywide participation and enable communities to finance larger-scale improvements with public monies is the civil society programme such as Asian Coalition for Community Action. Currently, a participatory budgeting experience obtained in Africa, mainly includes Senegal, Cameroon, Republic of Congo and Madagascar (Tsurkana et al., 2016). In contrast, in Uganda whilst civic organizations are anxious to participate in budget meetings, the culture of suspicion and confrontation between them and local authorities force local authorities to sideline them as there is no definitive legislative framework to support citizen participation in budget planning (Awire and Nyakwara, 2019).

Kenya's 2010 Constitution and succeeding enactment of the County Governments Act and the Public Finance Management Act, 2012 require open involvement on issues of public fund and as such facilitates the achievement of the Millennium Development Goals, however, participation has been consumed as a formality (Tabot, Owuor and Migosi, 2020). Participatory budget requires communication between community organizations and their leaders to work collectively to improve local management and achieve a better redistribution of resources and political transparency (Emil, 2019). Projects resulting from participatory budgeting are considered to be cheaper and better maintained due to community control and oversight (Koroļova and Treija, 2019). However, the danger of manipulating the entire process cannot be ruled out mainly by authorities, local elected representatives and civil society leaders who impose their agenda (Zhuang, 2014).

However, Urban planning processes in Kenya is characterized by citizen non-engagement especially in low income communities since the city elites prefer top-down approach and this has led to a series of project failures coupled with forced evictions and violation of economic and social rights of the urban poor (Wanjala and Muiruri, 2016). Equally, lack of genuine opportunities to participate has led to further feelings of dependence and frustration, negatively affecting people's sense of belonging in the city and has resulted into strings of litigations (Tabot, Owuor and Migosi, 2020). Moreover, governments tend to lack commitment to participatory opportunities, allocate limited resources to associated support measures, remain unable to manage elite encroachment, and lack knowledge of how to design citywide plans that build on the assets and resources of low-income groups (Chepngetich and Mokuu, 2017). This study sought to establish Participatory Budgeting and Implementation of Urban Upgrading Projects in Kenya. The study contribute scholarly reference and action plan for practitioners regarding Participatory Budgeting and Implementation of Urban Upgrading Projects through policy enactments. This eliminates chances of time and cost overruns besides quality compromise in the implementation of Urban Upgrading Projects.

## LITERATURE REVIEW

### Arnstein's ladder of participation

The Arnstein's ladder of participation propounded by Arnstein (1969) has been used to explain the various forms of community participation in the budgeting for urban upgrading projects. The theory explicitly recognizes that there are different levels of participation, from manipulation or therapy of citizens, through to consultation, and to genuine participation, that is, the levels of partnership and citizen control.

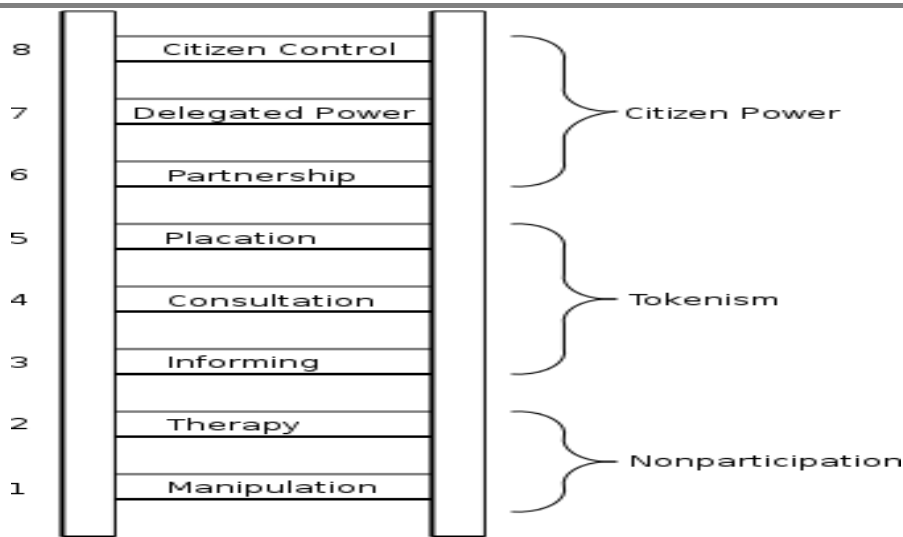


Figure 1 The Ladder of Citizen Participation. Source: Picture based on (Arnstein, 1969)

Arnstein categorizes the first two levels in her ladder of citizen participation as *non-participation*, this is where the public is not directly involved in budgeting for Urban Upgrading projects and may be manipulated into thinking they are part of decision making, where the power holders have created a phony form of participation, perhaps around a decision already made. At the first level there is *manipulation* where people are “educated on budgeting for Urban Upgrading projects” and may be advised to sign proposals they believe to be in their interest. The second level of the participation, *therapy*, involves the power holders “curing” the people. The power holders promise to assist the citizens and have them engage in the budgeting activities in Urban Upgrading projects where their opinions may be “cured”, and in the end accepted by the citizens.

Arnstein refers to the third, fourth and fifth levels as *tokenism*. This is where the citizens become involved in budgeting for Urban Upgrading projects but only to certain extent. The *informing* level is where the citizens are informed of what is happening in budgeting for Urban Upgrading projects. This is a one-way information process, where people receive the information in the media, online or physical. *Consultation* is the fourth step, in which citizens’ opinions can start to affect the power holder’s opinion concerning budgeting details for Urban Upgrading projects. However, if the consultation and information is not taken into consideration at the end of the day, this step will be of limited value and could therefore fall back into the non-participating level. The fifth level in Arnstein’s ladder, *placation*, is where a citizens’ opinion will start influencing the power holder’s decision. Citizens may be hand-picked to sit on a governing board that makes decisions on the budgeting process for Urban Upgrading projects. The process is more likely to work if the board members are equally split (citizens and power holders), so the citizens cannot be outvoted in the process.

The last category in the participation ladder is *citizen power*, where the citizens get to influence the decision making directly on budgeting for Urban Upgrading projects. At the sixth level the power holders and citizens create a *partnership* keeping both citizens and power holders’ content in budgeting for Urban Upgrading projects. The seventh level is *delegated power*, where citizens can start taking control, and the power holders need to start negotiating with the citizens. Compared to the example given for *placation* (the fifth level), the majority of the board members would be the citizens. This would mean that the power holders would need to negotiate decisions with the board members in budgeting for Urban Upgrading projects. The final level is *citizen control*, that gives the citizens the power to decide on the nature of budgeting for Urban Upgrading projects. This can be achieved through referendums, but since those are often costly and difficult to arrange it would most likely slow down the process substantially. They are therefore often only utilized for larger decisions. In many cases, local authorities do not, however, give their citizens full control in such elections, but treat the results instead only as advisory for the final decision made by the city council or other such decision-making bodies.

## Empirical Literature Review

### Implementation of Urban Upgrading Projects

An Urban Upgrading project is considered successful if it's implemented on time, within budget and scope, with quality standards and client's satisfaction (Ochieng' and Sakwa, 2018) puts more emphasis time, cost, quality, client satisfaction, and health and environmental safety. Project implementation process assist in execution of projects as it provides project plans, specifications, and the original project feasibility (Nduthu, Omutoko and Mulwa, 2018). This study defines implementation of Urban Upgrading projects as the success in meeting quality, working within cost and time, reduction in litigation rates, affordable trading units, project operational efficiency, client satisfaction, health and environmental safety.

In Colombia, Holstein (2017) found that participatory planning encourages the inclusion of marginalized neighborhoods within the physical and social fabric of the city, thus, resulting in effective implementation within time, cost, quality and to the user's satisfaction while observing the health and environmental safety. However, lack of genuine opportunities to participate leads to further feelings of dependence and frustration, negatively affecting people's sense of belonging in the city and can result into strings of litigations. In Malaysia, Rosli, Omar and Ali (2017) observed that participatory planning approach can open opportunity for people excluded from development not only to participate in decision making but also to assess levels of local government transparency and accountability which ensures that projects meet quality standards with maximum efficiency. True public participation process ensures communities are fully involved in planning process and incorporating their input into the development plan to avoid project sabotage.

In Kenya, Nduthu, Omutoko and Mulwa (2018) revealed that stakeholders' involvement in planning influenced implementation of indigenous chickens' projects in terms of production scope, budget and time besides community satisfaction. Equally, Barasa and Jelagat (2013) assessed the importance of participatory planning on implementation of projects and found that participatory development has the propensity of achieving project sustainability, ownership, promotes equity, legitimizes decision-making processes, strengthens self-determination and predisposes a people toward a more democratic behavior. This, results into projects implementation within time, cost, quality and meeting user satisfaction while observing environmental and health safety. Therefore, literature reviewed converge on implementation indicators as productivity numbers, timelines of activities done and project implementers' satisfaction.

Despite previous studies convergence on implementation indicators measurement in terms of quality treatment, project implementation within cost and time, increased detection rate, affordable treatment, project operational efficiency, client satisfaction, health and environmental safety (Ochieng' and Sakwa, 2018; Nduthu, Omutoko and Mulwa, 2018; Holstein, 2017; Rosli, Omar and Ali, 2017; Barasa and Jelagat, 2013), none focused on how the Implementation of Urban Upgrading Projects can be influenced by Participatory Budgeting, a gap which the current study intends to fill.

### Participatory Budgeting and Implementation of Urban Upgrading Projects

Participatory budgeting is a democratic process by which the citizens are involved in the decision-making process regarding the way budgetary resources are allocated including debating, analyzing, prioritizing, mobilizing resources, monitoring and evaluating the expenditure of public funds and investments (Emil, 2019). Projects resulting from participatory budgeting are considered to be cheaper and better maintained due to community control and oversight and transformation into a more open, deliberative and collaborative process in which direct and deliberative democracy can flourish (Tsurkana et al., 2018). To achieve the Millennium Development Goals, local governments should be involved, for stronger promotion of public participation in democratic and development processes, and responsive participatory planning and budgeting (Buele et al., 2020). Participatory budgeting increases democratic representation of previously excluded categories,



increases the level of trust between authorities and citizens, expands public service delivery and increases the quality of public services (Awire and Nyakwara, 2019). However, the danger of manipulating the entire process cannot be ruled out mainly by authorities, local elected representatives and civil society leaders who want to impose their agenda.

In Italy, Rainero and Brescia (2018) assessed participatory budgeting towards a new governance and accountability and observed that participatory budgeting is one of the tools for addressing governance needs, transparency and social accountability where citizens can define the allocation, priorities and socially relevant projects besides being empowered. The danger that may arise in the use of this tool is the failure to implement the proposals collected, and the failure to align the budget and public policies to decisions taken by citizens, thus becoming an instrument of political propaganda.

In Latvia, Koroļova and Treija (2019) evaluated Participatory Budgeting in Urban Regeneration and observed that along with community involvement in planning processes, participatory budgeting gives a chance for inhabitants to participate in the budgetary decision-making process as the model includes also public voting, which must be taken into consideration. Participatory urban regeneration can foster sense of community and strengthen neighborhood identity. Participatory budgeting has become one of the tools for engaging the wider population in urban development issues. Participatory budgeting can be defined as a mechanism through which citizens decide or contribute to decisions made at local level about the use of all or the part of the public resources available. Participatory planning and co-creation can increase the efficiency of regeneration proposals and help to create spaces, which will be used by local inhabitants. As sustainable development is the main goal of many cities, then ensuring public participation in urban regeneration is crucial while searching for effective long-term solutions.

In Brazil, Cabannes (2015) assessed the contribution of participatory budgeting in municipalities through descriptive survey design and data collected using interview guide from 20 key informants while analysis involved descriptive statistics and meta-data analysis. Findings showed that participatory budgeting has significantly improved governance and delivery of services, making the projects to be sustainable due to community control and oversight. However, it does not often fundamentally change existing power relations between local governments and citizens. Public Budgeting's 'original' resources have a strong catalytic effect for channeling both monetary and non-monetary resources, people's oversight allows for lower building costs and maintenance costs, is conducive to the modernization of local administrations and the empowerment of citizens and communities. Even if Public Budgeting processes contribute positively to the delivery of basic services, they are still limited in their capacity to meet the scale of the needs and the depth of citizens' aspirations.

In Kenya, Awire and Nyakwara (2019) analyzed public participation on budget implementation in Kisii county government through descriptive survey design and data collected using questionnaire from a sample size of 105 respondents while analysis involved descriptive and inferential statistics of correlation. Findings showed that public participation positively and significantly influence budget implementation. County governments should create rules to support Economic and Social Rights Center, 2013 which demands the general population inclusion to incorporate their views in the County Integrated Development. However, Governments use participatory rhetoric and limited gestures toward increased budget transparency and community budget consultations to assuage donors and reduce tensions with civil society, but they may not meaningfully engage with the process.

Further, Obwaya and Aduda (2011) sought to establish the relationship between participatory budgeting and performance of local authorities in Kenya through descriptive survey design and data collected using questionnaire from a sample size of 44 respondents out of a target population of 260 employees while analysis involve descriptive and inferential statistics of regression. Findings showed that participatory budgeting has a significant influence on performance of local authorities in budget administration and management prudence. Increase in budget participation of subordinate managers may reduce some agency problems existing in the budgeting process.

---

## METHODOLOGY

The study adopted desk review of previous studies with a focus on participatory planning and implementation of urban upgrading projects. The searches involved global reviews from Europe, North America, Asia, and Africa and locally in Kenya.

## FINDINGS AND DISCUSSIONS

Participatory budgeting ensures citizens involvement in the decision-making process of budgetary resource allocation including debating, analyzing, prioritizing, mobilizing resources, monitoring and evaluating the expenditure of public funds and investments. Participatory budget requires communication between community organizations and their leaders to work collectively to improve local management and achieve a better redistribution of resources and political transparency. Kenya's 2010 Constitution and succeeding enactment of the County Governments Act and the Public Finance Management Act, 2012 require open involvement on issues of public fund to achieve the Millennium Development Goals. However, Governments use participatory rhetoric and limited gestures toward increased budget transparency and community budget consultations to assuage donors and reduce tensions with civil society, but they may not meaningfully engage with the process. Further, Urban planning processes in Kenya is characterized by citizen non-engagement especially in low income communities since the city elites prefer top-down approach and this has led to a series of project failures coupled with forced evictions and violation of economic and social rights of the urban poor. Projects resulting from participatory budgeting are considered to be cheaper and better maintained due to community control and oversight. However, the danger of manipulating the entire process cannot be ruled out mainly by authorities, local elected representatives and civil society leaders who impose their agenda.

Moreover, governments tend to lack commitment to participatory opportunities, allocate limited resources to associated support measures, remain unable to manage elite encroachment, and lack knowledge of how to design citywide plans that build on the assets and resources of low-income groups. Projects resulting from participatory budgeting are considered to be cheaper and better maintained due to community control and oversight and transformation into a more open, deliberative and collaborative process. Increase in budget participation may reduce some agency problems existing in the budgeting process.

## CONCLUSIONS

There exists laws governing participatory budgeting for public projects like urban upgrading but participation has been consumed as a formality. Governments use participatory rhetoric and limited gestures toward increased budget transparency and community budget consultations to assuage donors and reduce tensions with civil society, but they do not meaningfully engage with the process. Participatory budget ensures a balance of power for a better redistribution of resources and political transparency. Projects resulting from participatory budgeting are considered to be cheaper and better maintained due to community control and oversight and transformation into a more open, deliberative and collaborative process. Even if Public Budgeting processes contribute positively to the delivery of basic services, they are still limited in their capacity to meet the scale of the needs and the depth of citizens' aspirations. To achieve the Millennium Development Goals, local governments should be involved, for stronger promotion of public participation in budgeting for urban upgrading projects.

## REFERENCES

1. Arnstein, S. (1969) A ladder of citizen participation, *AIP Journal*, July, 216–214.
2. Awire, J. and Nyakwara, S. (2019). Analysis of Public Participation on Budget Implementation in Kisii County Government, Kenya. *European Journal of Business and Management*, Vol.11, No.29
3. Barasa, F. and Jelagat, T. (2013). Community Participation in Project Planning, Management and Implementation: Building the Foundation for Sustainable Development. *International Journal of Current Research* Vol. 5, Issue, 02, pp.398-401

4. Buele, I., Vidueira, P., Yagüe, J. and Cuesta, F. (2020). The Participatory Budgeting and Its contribution to Local Management and Governance: Review of Experience of Rural Communities from the Ecuadorian Amazon Rainforest. *Journal of Sustainability* 2020, 12, 4659; doi:10.3390/su12114659
5. Cabannes, Y. (2015). Contribution of Participatory Budgeting to provision and management of basic services: Municipal practices and evidence from the field. *International Institute for Environment and Development (IIED)*, Vol. 27(1): 257–284.
6. Chepngetich, M. and Mokua, E. (2017). The Influence of Participatory Communication in Promoting Accountability and Transparency of Constituency Development Fund in Emurua Dikirr Constituency, Kenya. Unpublished MA Communication Studies, University of Nairobi, Kenya
7. Emil B.O.C. (2019). The Development of Participatory Budgeting Processes in Cluj-Napoca, Romania. *Transylvanian Review of Administrative Sciences*, No. 58 E/2019 pp. 38-51; ISSN 1842-2845 DOI:10.24193/tras.58E.3
8. Holstein, E. (2017). Experiences of Participatory Planning in Contexts of Inequality: A Qualitative Study of Urban Renewal Projects in Colombia. DOI: 10.1080/14649357.2017.1406981
9. Koroļova, A. and Treija, S. (2019). Participatory Budgeting in Urban Regeneration in Latvia: Defining the Gap Between Formal and Informal Citizen Activism. *Journal of Architecture and Urban Planning*, 10.2478/aup-2019-0018/2019 /15
10. Nduthu, P., Omutoko, L. and Mulwa, A. (2018). Project Implementation Process, Legal Framework and Performance of Projects: The Case of Indigenous Chicken Projects Sponsored by Agricultural Sector Development Support Programme In Machakos County, Kenya. Unpublished PhD Thesis, University of Nairobi, Kenya
11. Obwaya, G. and Aduda, J. (2011). The Relationship Between Participatory Budgeting and Performance of Local Authority of City Council of Nairobi, Kenya. Unpublished MBA Report, University of Nairobi, Kenya
12. Ochieng', F. O. and Sakwa, M. (2018). Impact of Participatory Resource Mobilization in the Implementation of Community Water Projects on the well-being of Beneficiaries' Households in Kisumu County, Kenya. *The Strategic Journal of Business & Change Management*, Vol. 5, Iss. 4, pp 1709 - 1720
13. Rainero, C. and Brescia, V. (2018). The Participatory Budgeting Towards a New Governance and Accountability. *International Journal of Management Sciences and Business Research*, ISSN (2226-8235) Vol-7, Issue 2
14. Rosli, N., Omar, D. and Ali, N. (2017). Participatory Planning Process for Community Resettlements Program. *International Journal of Academic Research in Business and Social Sciences* Vol. 7, No. 12; ISSN: 2222-6990
15. Tabot, A., Owuor, O. and Migosi, J. (2020). Influence of Participatory Project Initiation on Sustainable Forest Management in Saboti, Trans-Nzoia County, Kenya. *International Journal of Forestry Research* Volume 2020, Article ID 2648391, 7 pages <https://doi.org/10.1155/2020/2648391>
16. Tsurkana, M., Sotskovab, S., Aksininab, O., Lyubarskayac, M. and Tkachevad, O. (2016). Influence of the Participatory Budgeting on the Infrastructural Development of the Territories in the Russian Federation. *International Journal of Environmental and Science Education*, VOL. 11, NO. 15, 7684-7702
17. Wanjala, E. and Muiruri, Z. (2016). Participatory Planning and Quality Service Delivery in Local Authorities in Kenya. *Science Journal of Business and Management*. Vol. 4, No. 5, 2016, pp. 156-164.
18. Zhuang, M. (2014). Participatory Budgeting, Rural Public Services and Pilot Local Democracy Reform», *Field Actions Science Reports* [Online], Special Issue 11 | 2014, Online since 21 September 2014, connection on 19 April 2019. <http://journals.openedition.org/factsreports/3585>